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PROGRESS REPORT ON THE UTILIZATION OF UNTFAD RESOURCES IN 1989 AND 1990

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INTRODUCTION

1. The United Nations Trust Fund for African Development (UNTFAD) is now almost four years since its inception by the Secretary-General of United Nations in consultation with the Economic Commission for Africa (ECA).

2. The rationale behind its establishment is now well known and rehearsed through the previous pledging conferences. The outstanding single motivation is the need for African countries to make a conscious effort through the spirit of self-reliance, to contribute towards the implementation of the Lagos Plan of Action (LPA) for self-sustaining growth. Over the years however the regional needs have not only expanded but also assumed new dimensions and complexity.

3. The 1980's for instance, described by many of the region's economists as, "a lost decade" witnessed one of the worst economic and social crisis in history. Per capita income fell by 1.7 per cent yearly, gross fixed capital formation by 1.9 per cent, export volumes by 2.7 per cent, import volume by 3 per cent, commodity prices by 3.1 per cent while unemployment increased four times faster than in the 1970's. [1]

4. It is against such a background for the 1980's that compelled the Secretary-General of the United Nations to call upon the thirty-seventh session of the General Assembly to adopt special measures for social and economic recovery for the African region. Among the measures considered were the adoption of resolution 37/139 whereby the General Assembly invited donor countries to "provide substantial and sustained levels of resources for promoting the accelerated development of African countries and the effective implementation of the Lagos Plan of Action and contribute generously to UNTFAD". The economic strategies adopted since the mid-eighties were intended to meet the regional priority areas as spelled out in the United Nations Programme for African Economic Recovery and Development (UN-PAAERD). However, since then, it has become clearer that development goals in the 1990s would have to be oriented towards not only recovery but also to restructuring and transformation. This orientation has resulted in the adoption of the African Alternative Framework to Structural Adjustment Programmes for Socio and Economic Recovery and Transformation (AAF-SAP).

5. The basic thrust of African Alternative Framework for Structural Adjustment Programmes (AAF-SAP) is to provide a framework which allows adjustment programmes non-disruptive to the Lagos Plan of Action (LPA).

6. The outlook for this decade increasingly shows that African countries have to strive hard to seek internal solutions to the economic crisis. One area which will call for more attention to this inward search for solution is the mobilization of resources. External resources will most likely experience relative decrease as a result of impending single European market. Already large volumes of resources are actually or planned for diversion away from the traditional third world beneficiaries and channelled to new demands particularly of Eastern Europe. Thus UNTFAD as a vital funding source for the coming years has assumed new prominence.

7. It is against this background that the current pledging conference has to be situated. A pledging conference in which so much is expected if mounting needs has to be met and yet a conference taking place at a time when most African countries are still going through the economic crisis.

I. STATUS OF PLEDGING CONTRIBUTIONS AND THEIR PAYMENTS

8. Table 1 shows the seven pledging conferences that have taken place since the establishment of UNTFAD during which contributions have been pledged and subsequent payments made:

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[1] Economic Report on Africa, UNECA, Addis Ababa, 1990.

Table 1

	Pledges	Payments	Percent paid
Lagos, April 1977	2,960,981	2,940,981	99
Rabat, March 1979	2,285,762	1,762,570	77
Addis Ababa, April 1981	1,790,750	1,070,756	60
Addis Ababa, April 1983	1,833,240	1,596,749	87
Addis Ababa, April 1985	2,161,606	1,576,102	73
Addis Ababa, April 1987	449,650	425,789	94
Addis Ababa, April 1989	664,528[2]	147,050	22
Total	12,542,882		

9. Table 2 shows the total amount of $US 12,542,882 contributed to UNTFAD over the years which includes not only pledges made by African countries but also paid up pledges by other countries.

Table 2

China	51,020
Columbia	2,040
Cyprus	1,100
Federal Republic of Germany	286,000
India	1,350,000
France	71,429
African Development Bank	250,000
Carnegie Foundation	176,000
Sub-total	2,253,589

10. It should be noted that the total contributions to UNTFAD have been decreasing over the years as evident from the figures given in table 1. Payments have similarly not been made as promptly for the subsequent pledged contributions.

11. Regarding the actual payments made from the pledges to UNTFAD, the situation is indicated in tables (3) and (4).

12. The pattern of contribution of each member country show that even countries which started enthusiastically by making relatively large contributions have over the period slackened. Although the list of countries pledging has expanded the total contributions has nevertheless declined. The trend of the pledged contributions demonstrate one major indice, that of growing economic incapacity for many countries.

13. Regarding the actual payments made from the pledges to UNTFAD, the situation is as follows:

[2] Include $US 15,100 pledged and paid by Ethiopian Government in kind.

Table 3 shows countries/institutions that have paid the total amount of the contributions they pledged.

Table 3

	Country	Amount paid ($US)
1.	Algeria	500,000
2.	Burkina Faso	1,775
3.	Cape Verde	2,000
4.	Egypt	901,428
5.	Ethiopia [3]	102,882
6.	The Gambia	5,000
7.	Mauritania	31,742
8.	Mauritius	30,000
9.	Somalia	30,000
10.	Swaziland	1,776
11.	Tunisia	107,320
12.	Uganda	11,902
13.	China	51,020
14.	Federal Republic of Germany	286,000
15.	Columbia	2,040
16.	African Development Bank	250,000
17.	Gabon	131,052
18.	Nigeria	2,241,509
19.	Zimbabwe	179,744
20.	Rwanda	75,000
21.	Botswana	50,851.85
22.	Malawi	2,000.00

[3] Includes $US 15,000 pledged contribution in kind during 1990/1991.

Table 4 shows countries/institutions that have paid only part of the contributions they pledged.

Table 4

Amount	Total pledges	Amount paid	Amount due
Benin	51,000	40,500	10,500
Burundi	54,815	33,367	21,447
Cameroon	362,194	257,521	104,672
Central African Republic	23,966	21,524	2,441
Congo	113,333	86,508	26,824
Chad	20,000		20,000
Equatorial Guinea	2,000	-	2,000
Guinea	66,043	61,042	5,000
Guinea Bissau	6,521	595	5,926
Ghana	149,877	114,877	35,000
Kenya	305,509	51,503	254,005
Liberia	40,000	35,579	4,420
Libyan Arab Jamahiriya	630,000	530,000	100,000
Lesotho	77,744	38,872	38,872
Mali	50,000	4,346	45,654
Morocco	1,000,000	200,000	800,000
Niger	36,529	26,001	10,528
Sao Tome & Principe	5,000		5,000
Senegal	179,000	163,967	15,440
Sierra Leone	110,000	61,306	48,694
United Republic of Tanzania	307,886	156,087	151,799
Togo	68,170	57,181	10,989
Zaire	622,045	611,545	10,500
Zambia	157,687	142,687	15,000
Sudan	55,000	50,000	5,000
India	1,350,000	1,149,199	200,801
France	71,429		71,429
Columbia	2,040	1,000	1,040
Carnegie Foundation	176,000	41,400	134,600
ECA Staff Association	40,000	15,000	25,000
Cyprus	2,000	1,000	1,000
Rwanda	70,500	40,500	30,000

14. The countries listed in this category have so far not been in a position to pledge; Angola, Comoros, Djibouti, Madagascar, Mozambique and Seychelles, Côte d'Ivoire, Namibia.

II. UTILIZATION OF UNTFAD RESOURCES

15. During the period 1989-1990 resources utilized to finance projects activities amounted to 1,283,084. The funds utilized represent the balance of prior year contributions from the payments effected in 1988 and 1989 and from part of the accumulated interests accrued under UNTFAD's general and specific accounts.

16. During the period under review, the ECA secretariat has made a very cautious use of UNTFAD resources. Given the decline in the overall pledged contributions to UNTFAD over the recent pledging sessions the Executive Secretary of ECA has maintained a strict surveillance to ensure that all projects proposals for financing under the extra-budgetary resources entrusted to ECA and especially UNTFAD undergo thorough scrutiny within the established mechanisms and using appropriate instruments including a special committee chaired by the Executive Secretary himself.

17. It is within this context that funds could be released from UNTFAD resources to finance the following operational projects related to ECA programme of work and priorities.

A. Agriculture

(a) Regional workshop on evaluation of experiences of ten rural development projects in Africa (ATF/001/049)

17. This project is aimed at undertaking an in-depth evaluation of ten rural development projects in Africa. Through a workshop, the findings would be disseminated among member States and a framework would be devised for future planning and implementation of rural development projects.

18. The estimated cost of the project is $US 221,785.

(b) Subregional workshop on control of locust and grasshoppers in West Africa (AFT/002/058)

19. The project is designed to mobilize human institutional and technical capabilities in the countries of the subregion most seriously affected by locust through exchange of information, review and co-ordination of activities.

20. The estimated cost of the project is $US 42,583.

(c) Workshop on prevention of post-harvest food losses in North Africa (ATF/002/60)

21. The objective of the workshop is to promote the marketing information extension services between the countries of the subregion. The other aspect of the project is to conduct a study on the improvement and utilization and marketing of fish in North Africa.

22. The cost of the project is $US 39,000.

B. PADIS

(a) Pan-African Documentation and Information System (PADIS/CENTRAL AFRICA (ATF/002/047)

23. The project is aimed at strengthening the capacity of the Central African Documentation and Information Centre System (CADIS).

24. Estimated cost is $US 33,419.

C. NATURAL RESOURCES

(a) Inventory of mineral resources in Africa (ATF/002/57

25. The project aims at undertaking an inventory of mineral resources in Africa particularly on precious stones and metals and propose strategies for their exploitation including proposals for the creation of joint ventures among member States.

26. Estimated cost of the project is $US 39,622.

(b) Meeting of the plenipotentiaries on the establishment of the African nuclear energy (ATF/001/041)

27. The project was initiated in 1988 but started in 1989 with the meeting of the Government Plenipotentiaries with a result that they established a Technical Advisory Committee on Nuclear Science and Technology (TAC). The decision of the meeting was that TAC meet regularly every two years.

28. The project was rephased into 1990-1991 and the unencumbered balance of $US 11,293 was for financing the meeting of the Technical Group of Experts to develop the programme and projects for TAC in 1990.

29. The total cost of the project amounted to $US 56,000.00.

D. SOCIO-ECONOMIC RESEARCH AND PLANNING DIVISION (SERPD)

(a) ECA post-doctoral fellowship in economics of development DAX 56 (ATF/002/099)

30. The project is designed to provide opportunity for young African graduate who have completed doctoral studies to sharpen and widen grasp of their knowledge of contemporary African economic issues and problems.

31. The cost of the project is $US 361,035.

E. INDUSTRY

(a) Preparation of a directory of project profiles of small-scale agro-allied industries and organization of a regional seminar for entrepreneurs in small-scale industries (ATF/001/040)

32. The project was started in 1988 designed to (a) prepare and produce a draft portfolio of project profiles; (b) organize a workshop of officials dealing with development and promotion of small-scale industries to improve on the draft; and (c) finalize the directory.

33. The project whose initial budget was at $US 249,730 is in its last stages of completion.

(b) Equipment to ARCEDEM (ATF/002/048)

34. Project is aimed at assisting ARCEDEM in the purchase of an equipment with an estimated cost of $US 57,500.

F. ECONOMIC INTEGRATION ACTIVITIES UNDERTAKEN BY THE MULPOCs

(a) Gisenyi MULPOC (ATF/002/044)

35. This project is a continuation project from the previous years designed to enable MULPOC undertake important substantive activities including preparation of specific studies on:

(a) Facilitation of navigation on (Lakes Kivu and Tanganyika. ATF/002/044 and ATF/001/052) estimated total cost of both is $US 43,367;

(b) The development of small scale mineral exploitation in the countries of the subregion. ATF/002/049 at a cost of $US 25,000; and

(c) Integration of Women in Development in the Gisenyi MULPOC subregion, ATF/002/050.

36. The project aims at writing and publishing the fifth and sixth editions of the Gisenyi MULPOC bulletin on women in development within the framework of MULPOC's women programme. An assessment of the impact of training activities carried out would be done.

37. The cost of the project is $US 31,211.

(b) Lusaka MULPOC (ATF/002/036)

38. This is a continuous project from previous years aimed at providing administrative support to enable the MULPOC cope with processing of documentation related to its operational activities.

39. The total allocation for this was $US 130,264.70, the rephased portion for 1990 has been $US42,717.59.

(c) Tangier MULPOC: Preparatory assistance for the drafting of a treaty and protocols on the establishment of a preferential trade area for North Africa (ATF/002/001)

40. The project which started in 1989 is designed at carrying out the preparatory activities towards the economic co-operation and integration of the North African countries. The preparatory phase was to undertake studies in 3 sectors namely, transport, communications and energy.

41. The estimated cost for this was $US 40,115.00.